

House Study Bill 535

SENATE/HOUSE FILE _____
BY (PROPOSED ETHICS AND CAMPAIGN
DISCLOSURE BOARD BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to campaign funding and reporting.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
3 TLSB 5370DP 81
4 jr/sh/8

PAG LIN

1 1 Section 1. Section 68A.102, subsection 10, paragraph b,
1 2 Code Supplement 2005, is amended to read as follows:
1 3 b. The payment, by any person other than a candidate or
1 4 political committee, of compensation for the personal services
1 5 of another person which are rendered to a candidate or
1 6 political committee for any such purpose.
1 7 "Contribution" shall not include services provided without
1 8 compensation by individuals volunteering their time on behalf
1 9 of a candidate's committee or political committee or a state
1 10 or county statutory political committee except when organized
1 11 or provided on a collective basis by a business, trade
1 12 association, labor union, or any other organized group or
1 13 association. "Contribution" shall not include refreshments
1 14 served at a campaign function so long as such refreshments do
1 15 not exceed fifty dollars in value or transportation provided
1 16 to a candidate so long as its value computed at ~~a rate of~~
~~1 17 twenty cents per mile does not exceed one hundred dollars in~~
~~1 18 value in any one reporting period the current rate of~~
~~1 19 reimbursement allowed under the standard mileage rate method~~
~~1 20 for computation of business expenses pursuant to the Internal~~
~~1 21 Revenue Code does not exceed one hundred dollars in any one~~
~~1 22 reporting period.~~ "Contribution" shall not include something
1 23 provided to a candidate for the candidate's personal
1 24 consumption or use and not intended for or on behalf of the
1 25 candidate's committee.
1 26 Sec. 2. Section 68A.201, subsection 1, Code 2005, is
1 27 amended to read as follows:
1 28 1. Every committee, as defined in this chapter, shall file
1 29 a statement of organization within ten days from the date of
1 30 its organization. Unless formal organization has previously
1 31 occurred, a committee is deemed to have organized as of the
1 32 date that committee transactions exceed the financial activity
1 33 threshold established in section 68A.102, subsection 5 or 18.
1 34 If a committee's transactions exceed the financial activity
1 35 threshold prior to the due date for filing a disclosure report
2 1 as established under section 68A.402, the committee shall file
2 2 a disclosure report regardless of whether or not a statement
2 3 of organization has been filed by the committee.
2 4 Sec. 3. Section 68A.201, subsection 5, Code 2005, is
2 5 amended to read as follows:
2 6 5. a. When either a committee or organization not
2 7 organized as a committee under this section makes a
2 8 contribution to a committee organized in Iowa, that committee
2 9 or organization shall disclose each contribution in excess of
2 10 fifty dollars to the board.
2 11 b. A committee or organization not organized as a
2 12 committee under this section ~~which that~~ is not registered and
2 13 filing full disclosure reports of all financial activities
2 14 with the federal election commission or another state's
2 15 disclosure commission shall register and file full disclosure
2 16 reports with the board pursuant to this chapter, ~~and. The~~
~~2 17 committee or organization~~ shall either appoint an eligible
2 18 Iowa elector as committee or organization treasurer, or shall
2 19 maintain all committee funds in an account in a financial
2 20 institution located in Iowa.

2 21 c. A committee which that is currently filing a disclosure
2 22 report in another jurisdiction shall either file a statement
2 23 of organization under subsections 1 and 2 and file disclosure
2 24 reports, ~~the same as those required of committees organized~~
2 25 ~~only in Iowa~~, under section 68A.402, or shall file one copy of
2 26 a verified statement with the board and a second copy with the
2 27 treasurer of the committee receiving the contribution. The
2 28 form shall be completed and filed at the time the contribution
2 29 is made.

2 30 d. The verified statement shall be on forms prescribed by
2 31 the board and shall attest that the committee is filing
2 32 reports with the federal election commission or in a
2 33 jurisdiction with reporting requirements which are
2 34 substantially similar to those of this chapter, and that the
2 35 contribution is made from an account ~~which that~~ does not
3 1 accept contributions ~~which that~~ would be in violation of
3 2 section 68A.503.

3 3 e. The verified statement form shall include the complete
3 4 name, address, and telephone number of the contributing
3 5 committee, the state or federal jurisdiction under which it is
3 6 registered or operates, the identification of any parent
3 7 entity or other affiliates or sponsors, its purpose, the name
3 8 and address of an Iowa resident authorized to receive service
3 9 of original notice, ~~and~~ the name and address of the receiving
3 10 committee, the amount of the cash or in-kind contribution, and
3 11 the date the contribution was made.

3 12 Sec. 4. Section 68A.203, subsection 2, Code Supplement
3 13 2005, is amended to read as follows:

3 14 2. a. An individual who receives contributions for a
3 15 committee without the prior authorization of the chairperson
3 16 of the committee or the candidate shall be responsible for
3 17 either rendering the contributions to the treasurer within
3 18 fifteen days of the date of receipt of the contributions, or
3 19 depositing the contributions in the account maintained by the
3 20 committee within seven days of the date of receipt of the
3 21 contributions.

3 22 b. A person, other than a candidate or committee officer,
3 23 who receives contributions for a committee shall, not later
3 24 than fifteen days from the date of receipt of the
3 25 contributions or on demand of the treasurer, render to the
3 26 treasurer the contributions and an account of the total of all
3 27 contributions, including the name and address of each person
3 28 making a contribution in excess of ten dollars, the amount of
3 29 the contributions, and the date on which the contributions
3 30 were received.

3 31 c. The treasurer shall deposit all contributions within
3 32 seven days of receipt by the treasurer in an account
3 33 maintained by the committee.

3 34 d. All funds of a committee shall be segregated from any
3 35 other funds held by officers, members, or associates of the
4 1 committee or the committee's candidate. However, if a
4 2 candidate's committee receives contributions only from the
4 3 candidate, or if a permanent organization temporarily engages
4 4 in activity ~~which that~~ qualifies it as a political committee
4 5 and all expenditures of the organization are made from
4 6 existing general operating funds and funds are not solicited
4 7 or received for this purpose from sources other than operating
4 8 funds, then that committee is not required to maintain a
4 9 separate account in a financial institution.

4 10 e. Committee funds or committee property shall not be used
4 11 for the personal benefit of ~~an a~~ a candidate, officer, member,
4 12 or associate of the committee. The funds of a committee are
4 13 not attachable for the personal debt of the committee's
4 14 candidate or an officer, member, or associate of the
4 15 committee.

4 16 Sec. 5. Section 68A.401, subsection 3, Code 2005, is
4 17 amended by striking the subsection.

4 18 Sec. 6. Section 68A.402, subsection 8, Code Supplement
4 19 2005, is amended to read as follows:

4 20 8. POLITICAL COMMITTEES == BALLOT ISSUES. A political
4 21 committee expressly advocating the passage or defeat of a
4 22 ballot issue shall file reports as follows:

4 23 a. ELECTION YEAR. Five days before the election covering
4 24 the period of the date of initial activity through ten days
4 25 before election. Another report covering the time period from
4 26 nine days before the election through December 31 shall be
4 27 filed on or before January 19 of the next calendar year.

4 28 b. NONELECTION YEAR. On January 19 of the next calendar
4 29 year that covers the time period of ~~nine days before the~~
4 30 election January 1 through December 31 of the previous
4 31 calendar year.

4 32 Sec. 7. Section 68A.406, subsection 2, paragraph a, Code
4 33 Supplement 2005, is amended to read as follows:
4 34 a. Any property owned by the state or the governing body
4 35 of a county, city, or other political subdivision of the
5 1 state, including all property considered the public right-of=
5 2 way. ~~Upon a determination by the board that a sign has been~~
~~5 3 improperly placed, the sign shall be removed by highway~~
~~5 4 authorities as provided in section 319.13, or by county or~~
~~5 5 city law enforcement authorities in a manner consistent with~~
~~5 6 section 319.13. If the board determines a campaign sign is~~
~~5 7 improperly placed, the board shall notify the person who paid~~
~~5 8 for or placed the sign and the person shall remove the sign.~~
~~5 9 If the person fails to do so, the board may notify the proper~~
~~5 10 state, county, or city law enforcement authorities to have the~~
~~5 11 sign removed at cost to the person. The board may sanction~~
~~5 12 any person for failing to remove an improperly placed campaign~~
~~5 13 sign.~~

5 14 Sec. 8. Section 68A.501, Code 2005, is amended to read as
5 15 follows:
5 16 68A.501 FUNDS FROM UNKNOWN SOURCE == ESCHEAT.
5 17 The expenditure of funds from an unknown or unidentifiable
5 18 source received by a candidate or committee is prohibited.
5 19 Such funds received by a candidate or committee shall escheat
5 20 to the state. Any candidate or committee receiving such
5 21 contributions shall remit such contributions to the ~~director~~
~~5 22 of the department of administrative services board who shall~~
~~5 23 forward such contributions to the proper agency for deposit in~~
5 24 the general fund of the state. Persons requested to make a
5 25 contribution at a fundraising event shall be advised that it
5 26 is illegal to make a contribution in excess of ten dollars
5 27 unless the person making the contribution also provides the
5 28 person's name and address.

5 29 EXPLANATION

5 30 This bill makes a number of revisions to Iowa's campaign
5 31 disclosure income tax checkoff Act.
5 32 Code section 68A.102 contains a definition of the term
5 33 "contribution". Under current law the provision of
5 34 transportation to a candidate is not defined as a contribution
5 35 as long as the value is not more than \$100, calculated at 20
6 1 cents per mile; the bill ties the per mile rate to that
6 2 specified in the internal revenue code for business expenses.
6 3 Code section 68A.201 requires the filing of a statement of
6 4 organization by a committee. The bill requires a committee to
6 5 file a disclosure report, even if it has not previously filed
6 6 a statement of organization, when the committee's financial
6 7 activity reaches the level where a disclosure statement is
6 8 required.

6 9 Code sections 68A.201 and 68A.203 are amended editorially
6 10 and structurally. The latter revisions also exempt a
6 11 candidate or a committee officer from the requirement that a
6 12 person who receives contributions on behalf of a committee
6 13 provide an accounting of all contributions within 15 days of
6 14 either receipt of the contribution or demand of the treasurer.
6 15 Current provisions provide that committee funds or property
6 16 may not be used to the personal benefit of the committee
6 17 members or associates of members. The bill includes the
6 18 candidate in this prohibition.

6 19 The bill strikes Code section 68A.401, subsection 3. That
6 20 subsection requires that the county commissioner of elections
6 21 retain statements and reports provided by the ethics and
6 22 campaign disclosure board for a county, city, school, or other
6 23 political subdivision for a specified period.

6 24 Code section 68A.402 relates to reports by a political
6 25 committee expressly advocating the passage or defeat of a
6 26 ballot issue. The bill requires that a report covering the
6 27 time period from nine days before the election through
6 28 December 31 must be filed on or before January 19 of the next
6 29 calendar year.

6 30 Code section 68A.406 is amended to require that the person
6 31 who either paid for or placed a campaign sign be responsible
6 32 for moving the sign if it is improperly placed. Current law
6 33 places this burden on highway officials.

6 34 Code section 68A.501 relates to the receipt of
6 35 contributions from an unknown source. The bill's revision
7 1 requires those contributions to be remitted to the board;
7 2 current provisions require those contributions to be remitted
7 3 to the department of administrative services.